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2018 JAN -4 A 11: 02

January 3, 2018

**HAND-DELIVERY**

Florene Davidson  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

**Re: Amended Application of Impetro Operating, LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico (Wildhog)**

**Amended Application of Impetro Operating, LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico (Prizehog)**

Dear Ms. Davidson:

Enclosed please find for filing the original and one copy of the Amended Applications regarding the above matters, which have been set for hearing on the January 11, 2018 examiner docket.

Thank you.

Very truly yours,

Seth C. McMillan

Enclosures

cc: Neal Rudderow (via email, w/encs.)

**REPLY TO:**

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2018 JAN -4 A 11: 02

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF IMPETRO OPERATING, LLC  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 15924**

**AMENDED APPLICATION<sup>1</sup>**

Impetro Operating, LLC applies for an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation, Jal Wolfcamp Pool, comprised of the E/2E/2 of Section 20, Township 26 South, Range 36 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E/2E/2 of Section 20, and has the right to drill a well thereon.
2. Applicant proposes to drill its Wildhog BWX State Com #2H well to a depth sufficient to test the Wolfcamp formation. Applicant seeks to dedicate the E/2E/2 of Section 20 to the well to form a non-standard 160-acre oil spacing and proration unit (project area) in the Wolfcamp formation. The well is an approximately 4621' horizontal well, with a surface location 250 feet from the north line and 1020 feet from the east line of Section 20, a landing point 330 feet from the north line and 990 feet from the east line of Section 20, and a bottom hole location 330 feet from the south line and 990 feet from the east line of Section 20.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Wolfcamp formation in the E/2E/2 of Section 20 for the purposes set forth herein.

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<sup>1</sup> Impetro's originally-filed Application erroneously made mention of the "Bone Spring formation" in Paragraph 4. This error has been corrected in this Amended Application.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Wolfcamp formation in the E/2E/2 of Section 20, pursuant to NMSA 1978, §§ 70-2-17, -18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Wolfcamp formation underlying the E/2E/2 of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. WHEREFORE, Applicant requests that, following notice and a hearing to be set for January 11, 2018, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Jal (Wolfcamp) formation comprised of the E/2E/2 of Section 20;

B. Pooling all mineral interests in the Wolfcamp formation underlying the E/2E/2 of Section 20;

C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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J. Scott Hall

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*Attorneys for Impetro Operating, LLC*